

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**2021 Second Round**

**September 29, 2021**

Woodland, located at 310 West Main Street in Woodland, requested and is being recommended for a reservation of \$2,884,565 in annual federal tax credits to finance the new construction of 71 units of housing serving large families with rents affordable to households earning 30-60% of area median income (AMI). The project will be developed by Chelsea Investment Corporation and will be located in Senate District 3 and Assembly District 4.

**Project Number** CA-21-116

**Project Name** Woodland  
**Site Address:** 310 West Main Street  
Woodland, CA 95695 County: Yolo  
**Census Tract:** 190.020

<b>Tax Credit Amounts</b>	<b>Federal/Annual*</b>	<b>State/Total</b>
Requested:	\$2,884,565	\$0
Recommended:	\$2,884,565	\$0

\* Consolidated Appropriations Act, 2021 (CAA) Federal Credits

**Applicant Information**

**Applicant:** Chelsea Investment Corporation  
**Contact:** Cheri Hoffman  
**Address:** 6339 Paseo del Lago  
Carlsbad, CA 92011  
**Phone:** 760-456-6000  
**Email:** cherihoffman@chelseainvestco.com

**General Partner(s) / Principal Owner(s):** Pacific Southwest Community Development Corporation  
Chelsea Investment Corporation  
**General Partner Type:** Joint Venture  
**Parent Company(ies):** Pacific Southwest Community Development Corporation  
Chelsea Investment Corporation  
**Developer:** Chelsea Investment Corporation  
**Investor/Consultant:** Raymond James Tax Credit Funds, Inc  
**Management Agent(s):** CIC Management, Inc.

**Project Information**

**Construction Type:** New Construction  
**Total # Residential Buildings:** 3  
**Total # of Units:** 72  
**No. & % of Tax Credit Units:** 71 100%  
**Federal Set-Aside Elected:** 40%/60%

**Information**

Set-Aside: N/A  
 Housing Type: Large Family  
 Geographic Area: Capital Region  
 TCAC Project Analyst: Franklin Cui

**55-Year Use / Affordability**

<u>Aggregate Targeting Number of Units</u>	<u>Percentage of Affordable Units</u>
At or Below 30% AMI: 8	10%
At or Below 40% AMI: 11	15%
At or Below 50% AMI: 29	40%
At or Below 60% AMI: 23	30%

**Unit Mix**

20 1-Bedroom Units
32 2-Bedroom Units
20 3-BedroomUnits
<u>72 Total Units</u>

<u>Unit Type &amp; Number</u>	<u>2021 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
7 1 Bedroom	60%	\$997
8 1 Bedroom	50%	\$831
3 1 Bedroom	40%	\$665
2 1 Bedroom	30%	\$498
9 2 Bedrooms	60%	\$1,197
13 2 Bedrooms	50%	\$997
5 2 Bedrooms	40%	\$798
4 2 Bedrooms	30%	\$598
7 3 Bedrooms	60%	\$1,382
8 3 Bedrooms	50%	\$1,151
3 3 Bedrooms	40%	\$921
2 3 Bedrooms	30%	\$691
1 2 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$3,055,000
Construction Costs	\$18,566,262
Rehabilitation Costs	\$0
Construction Contingency	\$1,883,212
Relocation	\$0
Architectural/Engineering	\$775,000
Const. Interest, Perm. Financing	\$1,419,553
Legal Fees	\$182,500
Reserves	\$168,952
Other Costs	\$2,015,002
Developer Fee	\$2,200,000
Commercial Costs	\$0
<b>Total</b>	<b>\$30,265,481</b>

**Residential**

Construction Cost Per Square Foot:	\$332
Per Unit Cost:	\$420,354
True Cash Per Unit Cost*:	\$420,354

**Construction Financing**

Source	Amount
Citibank	\$25,164,108
Deferred Fees and Costs	\$1,337,015
Tax Credit Equity	\$3,764,357

**Permanent Financing**

Source	Amount
Citibank	\$5,030,000
Solar Tax Credit Equity	\$139,766
Tax Credit Equity	\$25,095,716
<b>TOTAL</b>	<b>\$30,265,481</b>

\*Less Donated Land, Fee Waivers, Seller Carryback Loans, and Deferred Developer Fee

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$24,654,402
130% High Cost Adjustment:	No
Applicable Fraction:	100.00%
Qualified Basis:	\$32,050,723
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,884,565
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,200,000
Investor/Consultant:	Raymond James Tax Credit Funds, Inc
Federal Tax Credit Factor:	\$0.87000

The “as if vacant” land value and the existing improvement value established at application, as well as the eligible basis amount derived from those values, shall not increase during all subsequent reviews including the placed in service review, for the purpose of determining the final award of Tax Credits, unless a waiver has been granted for a purchase price not to exceed the sum of third party debt that will be assumed or paid off. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

**Disaster Credit Tie Breaker Information**

First:	No
Second:	No
Third:	\$32,502.14

**Significant Information / Additional Conditions**

The applicant's estimate of contractor profit, overhead and general requirement costs exceeds TCAC limit of 14% based on the specific line item costs. However, the estimated costs are within the limits if the hard cost contingency is included in the calculation. The applicant is cautioned that at final review, prior to the issuance of the IRS 8609 forms, any costs or eligible basis that exceeds the limits will not be allowed.

**Resyndication and Resyndication Transfer Event:** None.

**Local Reviewing Agency**

The Local Reviewing Agency has not yet completed a site review of this project. Any negative comments in the LRA report will cause this staff report to be revised to reflect such comments.

**Standard Conditions**

The applicant must submit all documentation required for a Carryover Allocation and any Readiness to Proceed Requirements elected. Failure to provide the documentation at the time required may result in rescission of the Credit reservation and cancellation of a carryover allocation.

State tax credit recipients are limited to cash distributions from project operations pursuant to California Revenue and Taxation Code Section 12206(d). By accepting the tax credit reservation, the applicant/owner is agreeing to comply with the statutory limitations and requirements.

TCAC makes the preliminary reservation only for the project specified above in the form presented, and involving the parties referred to in the application. No changes in the development team or the project as presented will be permitted without the express approval of TCAC.

The applicant must pay TCAC a performance deposit and allocation fee calculated in accordance with regulation. Additionally, TCAC requires the project owner to pay a monitoring fee before issuance of tax forms.

As project costs are preliminary estimates only, staff recommends that a reservation be made in the amount of federal credit and state credit shown above on condition that the final project costs be supported by itemized lender approved costs and certified costs after the buildings are placed in service.

All unexpended funds in reserve accounts established for the project must remain with the project to be used for the benefit of the property and/or its residents, except for the portion of any accounts funded with deferred developer fees.

All fees charged to the project must be within TCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

If the applicant has requested the use of a CUAC utility allowance, TCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from TCAC, this project is not eligible to use a utility allowance based on the CUAC.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by TCAC at placed-in-service.

Credit awards are contingent upon applicant's acceptance of any revised total project cost, qualified basis and tax credit amount determined by TCAC in its final feasibility analysis.

The applicant must ensure the project meets all Additional Threshold Requirements of the proposed project. If points were awarded for service amenities, the applicant will be required to provide such amenity or amenities identified in the application, for a minimum period of fifteen years and at no cost to the tenants. Applicants that received points for sustainable building methods (energy efficiency) must submit the certification required by Section 10325(c)(5) at project completion. Applicants that received increases (exceptions to limits) in the threshold basis limit under Section 10327(c)(5) must submit the certification required by Section 10322(i)(2) at project completion.

<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7
Management Experience	3	3	3
<b>Housing Needs</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Site Amenities</b>	<b>15</b>	<b>15</b>	<b>15</b>
Within 1/8 mile of transit station or public bus stop	4	4	4
Within 1/2 mile of public park or community center open to general public	3	3	3
Within 1/2 mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5
Within 1 mile of a public high school	3	3	3
Within 1/2 mile of medical clinic or hospital	3	3	3
Within 1/2 mile of a pharmacy	2	2	2
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Service Coordinator, minimum ratio of 1 FTE to 600 bedrooms	5	5	0
Adult ed/health & wellness/skill bldg classes, min. 60 hrs/yr instruction	5	5	5
After school program for school age children, minimum of 10 hours/week	5	5	5
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>2</b>
Smoke Free Residence	2	2	2
<b>Total Points</b>	<b>109</b>	<b>109</b>	<b>109</b>

**Please Note:** If more than the maximum Site Amenity points were requested, not all amenities may have been scored and/or verified.

**DO NOT RELY ON SCORING IN THIS COMPETITIVE CYCLE FOR FUTURE APPLICATIONS. ALL RE-APPLICATIONS ARE REVIEWED WITHOUT RELIANCE ON PAST SCORING.**